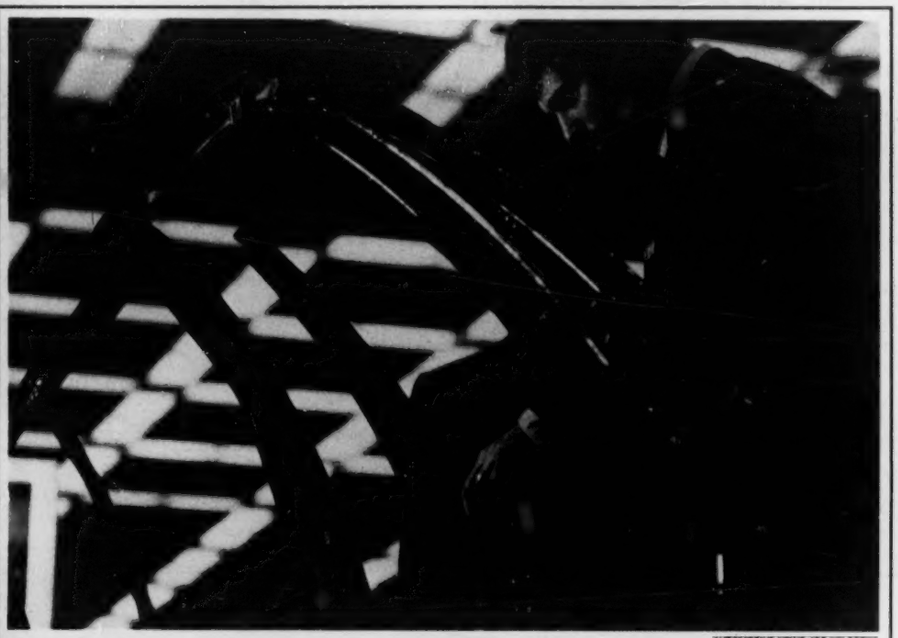
Automotive News

March 5, 1990

©Entire contents copyright 1990, by Crain Communications, Inc. All rights reserved.
Reproduction or use of editorial content in any manner without permission is strictly prohibited.

65th year—$65.00 per year, $2.00 per copy



AUTOMOTIVE NEWS/JOE WILSSENS

Plastics on the thermo seat

Modern, durable plastics like the APV side panels in the Budd Co. exhibit improve auto efficiency but will create disposal problems when the vehicle becomes a hulk. Several papers on plastics recycling challenges were presented at last week's SAE convention in Detroit. Story, Page 2.

New auto problem: tougher CFC rules

Earlier ban seen; quick sub needed

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — U.S. vehicle manufacturers are bracing for a climax this spring to the global campaign to wipe out chlorofluorocarbons.

By June, global efforts to reduce CFCs will likely result in a virtual ban of the environmentally damaging chemical compounds by 2000.

Representatives of U.S. vehicle makers will be in Geneva this week for a global conference that is expected to lay the groundwork for an accelerated and more stringent timetable to wipe out CFC use.

At stake for U.S. vehicle makers:

- Manufacturers will have to engineer alternative air conditioning systems for cars and trucks. Current air conditioning systems use a refrigerant containing CFCs. But use of a non-CFC cooling medium dictates significant engineering changes including compressor redesign and cooling capacity upgrades. In addition, a new lubricant compatible to the redesigned system must be found.
- A new, less environmentally damaging refrigerant compatible to the existing fleet of cars and trucks will have to be found. An estimated 75 million cars and trucks will be affected if CFC use is eliminated by 2000. Non-CFC refrigerants developed for new cars and trucks are not compatible with existing fleets.
- Automakers must find an as-yet-unknown compound that can be used to clean electronic componentry without reducing reliability. Current cleaning solvents contain CFCs.

Grappling with the issue of CFC replacement has become of such importance that a technical session on the subject at last week's SAE International Congress and Exposition in Detroit drew a standing-room-only crowd.

Global reduction of CFCs currently is sought under terms of the Montreal Protocol, an international agreement ratified by the United States and 30 other countries in September 1987. The U.S. EPA has adopted CFC regulations based on the Protocol.

But discussions are now under way to revise the Montreal Protocol, and a proposal calling for accelerated CFC elimination and a ban by 2000 is anticipated this spring, according to those who monitor the issue.

"A reassessment process is under way now on a global basis," said David Bateman, technical service consultant for DuPont Co., the largest manufacturer of refrigerants. "We anticipate that a decision will be reached in June as to how the Montreal Protocol will be changed. The changes are most likely to take effect Jan. 1, 1991."

The Protocol, which took effect Jan. 1, 1989, freezes production of regulated CFCs at 1986 output. A

see CFC, page 36

Senate's air bill hits floor today

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — A compromise bill that softens the impact of clean air legislation on automakers will be introduced on the Senate floor today.

But last week's agreement — which partially shifts the burden of cleaner air to the oil industry — produced no audible sighs of relief in Detroit, Japan or Europe.

After three weeks of closed-door talks between the White House and a dozen key senators, many issues remain unresolved. As one Chrysler Motors official put it, "the devil is in the details, and we don't know what those details are yet."

But the agreement signals at least a partial victory for the auto industry in four key areas:

- The specter of having to build cars that run on alternative fuels is diminished. Instead of mandating production of alternative-fueled

see AIR, page 36

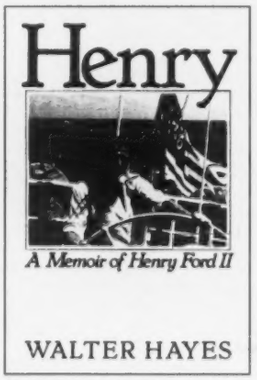
Inside story of Iacocca ax

By Edward Lapham
MANAGING EDITOR

Henry Ford II had Lee Iacocca in his sights for three years before he fired him in July 1978, according to a book scheduled for publication this June.

The book, *Henry: A Memoir of Henry Ford II*, was written by Walter Hayes, a retired Ford executive who was vice president of public affairs.

"It was 1975 when Henry Ford II decided the time had come to replace Lee Iacocca as president of the Ford Motor Co.," wrote Hayes, detailing how "there was never any prospect that they would be buddies, although they could well have been better allies."



Henry: A Memoir of Henry Ford II; by Walter Hayes; Grove Weidenfeld, New York, $19.95, June 1990; 336 pages

The book also emphasizes the importance of international experience to Henry Ford — who Hayes says considered himself English except for his citizenship — and Iacocca's lack of it.

And Hayes recounts in some detail how in February 1972 German industrialist Herbert Quandt offered to sell 25 percent of Daimler-Benz for $450 million to Henry Ford.

The author sets up Iacocca for the ax for more than 100 pages. In

see HAYES BOOK, page 36

SATURN RISING

Workers fired up as plant scurries toward pilot production

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

SPRING HILL, Tenn. — After four years of construction, Saturn Corp. is ready to begin pilot production of finished cars this month at its $3 billion car plant in Tennessee.

Three to four cars a week are now making practice runs down the assembly lines. The pace of work is accelerating to meet a June date for the start of commercial production.

Bins of metal parts are beginning to accumulate near the four Komatsu presses in the stamping plant. Two more presses have yet to be delivered, and the interior plastic parts operation still has to install a half-dozen office-sized injection molding machines by summer.

"We'll make it," assures manufacturing engineer John Reiff, busily installing an electrical system along one of Saturn's general assembly lines.

Plant officials may be slightly defensive. Skeptical media reports have hung over the project, which was announced with great fanfare more than six years ago. But the clock will soon separate fact from hype at Saturn, scheduled to build up to 240,000 coupes, sedans and station wagons annually in the early 1990s.

see SATURN, page 37

NEWSPAPER
#26J0●●●●●●●●●●5-DIGIT 20814
#03032290B 2#01AN01051 99XWZ
ACQ EDITOR SRI
CONGRESSIONAL INFO SERV
4520 EAST-WEST HWY STE8
BETHESDA MD 208.

r sells:
ger, a former NADA
l his Arkansas
l week. Story, Page 6.

Popular, durable plastic faces dilemma on recycling

By Jack Keebler
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Tough fuel economy standards have forced automakers to use hundreds of pounds of plastic per vehicle to reduce weight. And the trend has been toward even greater usage.

But vehicle-materials recyclers and environmentalists say it's reckless and expensive to build high plastics-content vehicles without a plastics recovery infrastructure or viable recycling process.

Plastic has no scrap value because it is not recycled like steel and aluminum. And automotive shredders say they won't accept vehicles which have insufficient scrap value.

Some carmakers have even begun to question the marketability of vehicles made largely of nonrecyclable materials. Will environmentally-aware customers buy nonrecyclable vehicles?

Chief among the sophisticated but nonrecyclable plastics is SMC, or sheet-molded composites, used as exterior skin on some vehicles, including the Chevrolet Corvette, the Pontiac Fiero, and the General Motors APVs.

APV production is expected to reach 200,000 per year. The GM vans weigh in with 325 pounds of sheet molded composites per vehicle plus about 112 pounds of interior plastics.

"SMC is a problem for recyclability," said B.E. Swanson, executive engineer of materials engineering at Chrysler and current chairman of the Automotive Composites Consortium. "As good corporate citizens, Chrysler has made the choice to use only recyclable thermoplastics on future body panels."

A BMW spokesman also voiced concerns during the SAE Congress and Exposition held in Detroit last week.

"Carmakers could be using significantly less plastic in future models unless solutions are found for recycling," said Christoph Huss, a product information manager for BMW of North America. "Our researchers were looking at a three-piece, plastic-body system for future models," Huss said. "But that work is now put aside. We're thinking our domestic, and soon our U.S. customers, might not want to drive such a nonrecyclable car."

Currently, automotive recyclers send nonrecyclable plastics to incinerators or landfills. But there is growing environmental legislation that prevents incineration or landfill acceptance of certain plastics considered hazardous waste in high-population areas. And so, car shredders or recyclers are incurring higher costs to transport the waste to incinerators or landfills in the Midwest and the South, where laws are less restrictive and landfill operators charge high dumping fees. Prices vary from $25 to $250 per ton.

Recyclers, balancing the profit from the recovery of vehicle metal scrap against the loss on the waste or "shredder fluff," say the profit margin on newer vehicles is narrowing quickly.

"Basically, the car you are producing has become, due to the inability or difficulty in landfilling the fluff, unrecyclable," said Robert K. Waxman of Waxman Metals Group, a multi-million-dollar recycling firm in Hamilton, Ontario.

He said the array of complicated

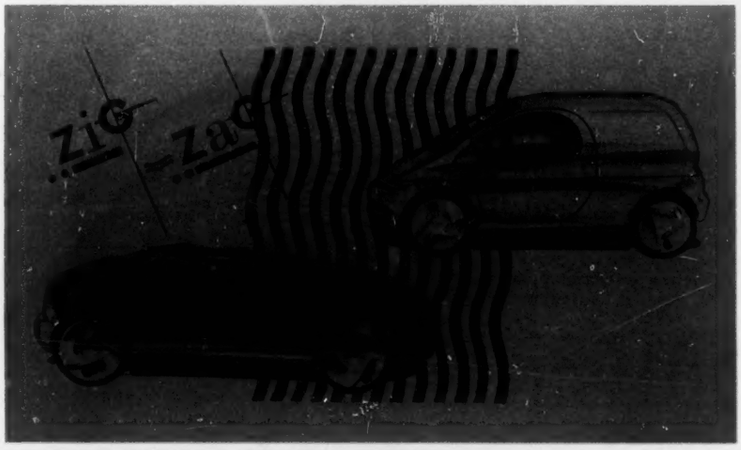
see RECYCLE, page 37

Value of typical 3,150 lb. hulk

11-year-old passenger car, Eastern Canada, February 1990

Source: Waxman Metals Group

AUTOMOTIVE NEWS / CHARLOTTE WINTER



Zig, Zag

Ford Motor Co.'s Ghia studio takes the wraps off Zig and Zag at the Geneva auto show this week. Zig, a compact 2-seater, and Zag, a minivan, are a response to the Japanese concept cars shown at last fall's Tokyo show.

Volkswagen to trim Corrado price, options

By Dutch Mandel
AUTOMOTIVE NEWS STAFF REPORTER

PANAMA CITY, Fla. — Volkswagen United States Inc. will offer a stripped-down Corrado sports car in the 1991 model year to broaden the car's appeal and pump up its sales.

Also, while VW officials confirmed the Corrado will have a V-6 in the 1992 model year, the U.S. marketing arm will ask VW engineers to explore methods to hype the car's perceived performance characteristics — through exhaust note and suspension adjustments.

"We aren't going to make our 10,000 (projected 1990) sales at the rate we're going," said William J. Young, vice president of Volkswagen United States. "We launched the car during a difficult time in a tough market segment. We overequipped the car. There's too much in the car to launch with."

From its fall 1989 introduction through February, VW has sold 643 Corrados.

Young said the company is seeking ways to "take content out of the car" with an aim at cutting the Corrado's $17,900 base price by some $2,000. Among items Young said are on the replacement list are power windows, power mirrors, central door-lock system, trip computer, cruise control and the high-line Heidelberg IV AM/FM cassette stereo with six amplified speakers.

Options on Corrado include anti-lock brakes, power sunroof, metallic paint, leather seats and a "cold climate package" that includes heated front seats and heated windshield washer nozzles.

But "decontenting" Corrado could be more difficult than marketers believe. Since it was developed primarily for the U.S. market, it was made as a high-line model. The doors, for example, were designed to accept only power windows.

Also to widen Corrado's appeal, VW has developed an automatic transmission. That option, to be offered in the 1991 model year, will add to the car's base price.

Young said the Corrado's 1.8-liter, supercharged 4-cylinder engine is a strong powerplant, but delivers top-end speed that he said may not be suitable for the sport coupe market.

"We are looking at ways to take top-end performance out and give (it to the) lower-end," Young said. "I frankly think it's irrelevant if it can go 140 mph."

Young said changing the engine's performance without recertifying it to meet U.S. emissions standards is the challenge. In the interim, VW United States officials are requesting of VW AG engineers that a "noisier" exhaust note be built into U.S.-bound Corrados. Currently, all of the 20,000 Corrados assembled for worldwide sales get mufflers that meet Swiss noise standards — the most stringent in the world.

Mazda shifts execs at U.S. plant

By Dutch Mandel
AUTOMOTIVE NEWS STAFF REPORTER

FLAT ROCK, Mich. — Mazda Motor Manufacturing (USA) Corp. has made three top-level personnel changes.

As of March 1, Osamu Nobuto holds the newly created position of chairman of Mazda Motor Manufacturing (USA), which builds the Mazda 626 sedan, MX-6 coupe and Ford Probe. "Mr. Nobuto will oversee Mazda's U.S. manufacturing from a global perspective," said Mazda spokesman Jim Gill.

Nobuto had been president of Mazda Motor Manufacturing (USA) since it was established in 1985. He will remain on Mazda Motor Corp.'s board of directors. He will return to Hiroshima, Japan, and will report to Norimasa Furuta, Mazda Motor Corp. president.

Filling Nobuto's spot as Mazda Motor Manufacturing (USA) president is Masahiro Uchida, former executive vice president of the company. Uchida will be responsible for all production operations, personnel, purchasing and corporate planning functions.

Taking over as executive vice president of operations is Mamoru Takebayashi, former general manager of Mazda's Hofu, Japan, manufacturing plant. Takebayashi, who will move from Japan to Michigan, ran the plant upon which the Flat Rock facility was modeled.

Nobuto began his Mazda career in 1959 as a chassis design engineer. In 1977, he moved to the United States as manager of Mazda Technical Center Inc. in Irvine, Calif. A year later he returned to Hiroshima as manager of Mazda's Cost Control Division and later became manager of the office of international business development. In 1985, he was named U.S. operations president.

Uchida started with Mazda in 1957 and was named an officer of the U.S. manufacturing company in May 1985. He is a managing director on Mazda's board of directors.

Nobuto Takebayashi

Takebayashi joined Mazda in 1959. He became deputy general manager of Mazda's Hofu plant in 1985 and was given responsibility for the Assembly Division in 1986. In 1987, he was elected to Mazda's board of directors, and in 1989 he was named general manager of the Hofu plant.

Mazda has confirmed it is studying the feasibility of building trucks in the United States, but has said that without major changes to the Flat Rock plant, truck manufacture would take place in a separate facility.

Corrections

- A late news item in the Feb. 26 issue incorrectly identified the state where Scania USA's headquarters is located. The truck importer is headquartered in Orange, Conn.
- A story and headline in the Feb. 26 issue misstated the direction of the U.S. vehicle trade deficit in November. The deficit increased.

AUTOMOTIVE NEWS/JOE WILSSENS

Donald Petersen, right, hands the company and keys to the first 1991 Escort to Harold Poling.

Petersen's final advice: Cut costs, product cycle

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

DEARBORN, Mich. — Donald E. Petersen, the former engineer who retired as chairman of Ford Motor Co. last week, said Ford's two biggest problems are its long product cycles and high development costs for individual product programs.

"The biggest problem for us, it seems to me, is that it still costs us too much for any given program we do, and it takes us too long," Petersen told a group of automotive journalists during one of his last interviews as Ford chairman. Harold "Red" Poling succeeded Petersen as chairman March 1.

Petersen said the company must change the way it develops cars and trucks and find "new ways, simpler ways" to bring them to market. The company has agreed on some new approaches, which are being incorporated into future product programs such as the U.S. Tempo/Topaz replacement and the European Sierra replacement.

The Tempo/Topaz debuted in May 1983 as 1984 models, and their replacements will debut as 1994 models. The 10-year product cycle for the Tempo/Topaz, which has been typical at Ford, is more a "financial cycle," meaning the time it takes to recoup the investment on a product.

"To go faster, you not only have to know how to go faster, you have to know how to do it for less money or you can't afford to go faster — it takes both," said Petersen.

Ford has the ability to go faster in some cases, but it doesn't see frequent changes as necessary because of consumer tastes. For instance, Ford has said owners of its Lincoln Town Car have said they don't want frequent changes.

Ford has been criticized recently for not changing the sheet metal on its cars as fast as the Japanese. Honda has had three all-new Accords since 1982, while the Tempo/Topaz has undergone one freshening in sheet metal since 1983. But Petersen said the Japanese are changing their vehicles so frequently, some Japanese cars and trucks are starting to look alike.

He said one reason Ford is spending more than it should on future products is that the automaker "does not do a good enough job (of engineering) up front and, as a result, we change tools a lot more."

"We process far more changes through a program than the typical Japanese company will," said Petersen.

"We can help ourselves a great deal by doing much more sophisticated work — let's call it research or advance — so as we start the serious stuff where there are going to be hard tools, new machinery, all the expensive stuff, we're pretty darn sure we know what we're talking about — feasibility and things — and that sticks."

He said he is worried about the gradual erosion of American-owned core component makers — such as machine tool and electronics firms. He said the U.S. auto industry sometimes does not get the leading-edge technology because those industries are largely based overseas.

Honda now thinks twice when rushing automation

By Mary Ann Maskery
AUTOMOTIVE NEWS STAFF REPORTER

TOKYO — Honda Motor Co., like every major Japanese company, is aiming for 30 percent automation on final assembly. But it is not about to repeat earlier mistakes by rushing into it.

Honda "wasted a huge amount of money" in a rush to install automation in the early 1980s, according to Senior Managing Director Shoichiro Irimajiri.

But when it came time for a new model change, much of the new equipment proved useless, he said.

Today's automation move is fueled largely by a severe labor shortage in Japan combined with a market demand for greater diversity. Despite immediate needs, though, the Japanese are taking a methodical approach. They are willing to wait two to three years to develop the right system.

"In the early '80s we all thought automation was better in every way, but in 1985 we had to re-think automation," Irimajiri said. "There were so many problems. The engineering people have to work closely with r&d. We had to learn."

Honda last May introduced a third line at Suzuka, the company's largest plant. The new line is 100 percent automated in welding and 60 percent in painting. It is 18 percent automated in final assembly, with a target of 30 percent in about two years.

Honda practiced on an experimental line at Suzuka for nearly five years before going ahead. On that line, which produced 200 cars a day, Honda tested software and hardware and worked out problems interfacing

see HONDA, page 37

AUTOMOTIVE NEWS/JOE WILSSENS

Irimajiri: Honda "wasted a huge amount of money."

Jaguar, Ford business plan expected by month's end

By Daniel Ward
STAFF CORRESPONDENT

COVENTRY, England — Improving supplier quality and manufacturing efficiency are understood to be the key issues addressed in the first business plan being put together by the Jaguar/Ford transition team.

The plan will be completed within a month, and approval from Ford Motor Co. in the United States is expected by April.

The first plan will determine what financial and technical assistance Jaguar needs to carry out its current model and marketing plans.

Jaguar Chairman John Egan told *Automotive News* a second plan will be compiled over a longer period. It will consider what else Jaguar must do to justify Ford's $2.5 billion investment in the company.

That will include the development of a smaller model to rival the BMW 5 series and a substantial expansion of production capacity. Output of the small Jaguar would probably begin at 50,000 a year, which equals the firm's current production.

In the short term, Egan said, the Ford takeover will not enable Jaguar to introduce new models now under development any faster.

It will be 1993 before the F-type sports car is ready. The replacements for the XJ6 and long-wheelbase sedans will not debut until 1995. Ford's engineering assistance in the next few years will be mainly in advanced research.

The transition team of more than a dozen Ford executives appears to be concentrating initially on component quality and manufacturing efficiency.

see JAGUAR, page 33

INDEX

Around the world	15
Auction dates	32
Classifieds	25-31
Coming events	34
Dealing with dealers	19
Incentive watch	38
Late news	8
Legal briefs	34
Letters	14
Marketing and media	18
Opinion	12
Personnel	32
Production	39
Recreation on wheels	16

65th year—No. 5329

Advertising Production Department . (313) 446-6063
Circulation Department
In Michigan ..... (313) 445-0480
Outside Michigan 1-800-992-9970
Classified Ad Department ..... (313) 446-6065
Display Ad Department ..... (313) 446-6030
Editorial & Business Offices ..... (313) 446-6000

AUTOMOTIVE NEWS (ISSN 0005-1551) is published weekly except semiweekly the fourth week in May at 1400 Woodbridge, Detroit, MI 48207. Second-class postage is paid at Detroit, MI and at additional mailing offices. Postmaster: Send address changes to AUTOMOTIVE NEWS, Circulation Department, 965 E. Jefferson, Detroit, MI 48207.

Volvo-Renault link could alter heavy-truck rankings

By Richard Johnson and Jim Henry
AUTOMOTIVE NEWS STAFF REPORTERS

The partnership between the Renault group and AB Volvo has the potential to create America's biggest heavy-duty truckmaker as well as the world's largest producer of those vehicles.

The Renault-Volvo proposal poses a much less significant impact on the U.S. passenger-car market, though Volvo is said to be talking with other companies. A Swedish report linking Volvo, Chrysler and Mitsubishi could be of more immediate interest in the United States.

Additional information about the longer-term implications of the collaboration is expected from Pehr G. Gyllenhammar, chairman of AB Volvo, and Raymond H. Levy, chairman of Renault, at a press conference in Geneva today.

French Industry Minister Roger Fauroux said in an interview last week with the French newspaper *La Tribune de l'Expansion* that Renault will attempt to sell its cars in the United States once again, through Volvo dealers, but spokesmen for Renault and Volvo denied that.

"I'd be shocked," said Paul Capella, DRI Europe's French specialist. "Renault's name is dirt in the U.S. in terms of marque image. It would probably be the kiss of death for Volvo."

Volvo dealers groaned at the slightest hint that Renault might come back to America in their showrooms.

"Renault is a name it'll take two generations to forget, like Lancia or Fiat. I seriously doubt this would happen," said Donald Merker, president of The Volvo-Saab Store in Yonkers, N.Y.

"I haven't seen Renault be successful in the United States for the last 30 years," said Michael Lazarus, co-owner of Volvoville USA in Massapequa, N.Y., Volvo's top-volume dealership

"Hopefully, this (Renault) disease won't spread to us. Fortunately, there are no more Renault dealers in this country," he said.

Renault's passenger-car exports to the United States ceased after it sold American Motors to Chrysler Corp. in 1987, though it still exports components for the Renault-designed Eagle Premier.

Rather than an out-and-out merger, the Renault-Volvo deal is aimed at longer-range, less-visible goals in technical and industrial cooper-

see DEAL, page 33

Rumor lumps Volvo, Chrysler, Mitsubishi

A Swedish newspaper reported last week that Chrysler Corp., AB Volvo and Mitsubishi Motors Corp. are discussing development of a new luxury sedan that would be produced in the United States and marketed separately under a new brand name.

***Goteborgsposten*, a prominent daily in Volvo's Gothenburg headquarters town, said the recently announced Volvo-Renault equity swap could be the first step in a "global mass marriage" involving Volvo, Renault, Mitsubishi and Chrysler.**

None of the companies involved confirmed the report.

According to the report, wide-ranging discussions are under way, including joint Volvo-Mitsubishi production in Europe; shared componentry; and joint development

see REPORT, page 33

IT TAKES A LOT OF GALT!
...AND WE DELIVER IT.
GALT ENTERPRISES

Honda engine output grows steadily in Ohio

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

Honda of America Manufacturing Inc.'s efforts to more than double engine output at its Anna, Ohio, plant are inching along.

Honda will raise output from 219,805 4-cylinder engines in 1989 to about 300,000 this year.

Plans call for the 4-year-old operation to reach capacity and supply all 590,000 U.S.- and Canadian-built Honda cars in 1991.

Until last year, the plant produced only 1.5-liter and 1.6-liter engines for the 4-door Civic. In August, it began manufacturing 2.2-liter engines for the Accord, which is assembled in Marysville, Ohio. This year, Anna will produce about 140,000 Accord engines, up from 61,577 in 1989.

The gradual expansion of engine output is tied to production at the company's new East Liberty, Ohio, plant, where Honda began building 4-door Civics last November. Civic production is slowly being phased out of Marysville so more space can be devoted to Accords.

"We prefer to do things gradually," said spokesman Roger Lambert. "It gives us the chance to prove the systems and also to train more. We don't mind operating under capacity for a while as we bring our people up to snuff."

East Liberty will reach full line speed this summer. By 1991, combined output from Marysville and East Liberty will require about 510,000 engines. Honda's Civic hatchback plant in Alliston, Ontario, can build 80,000 cars annually.

The engine plant recently began manufacturing pistons, as well as casting and finishing cylinder heads, brake discs and suspension arms.

Honda is the only Japanese manufacturer in the United States that casts its own engine blocks and aluminum wheels.

During the past few weeks, the Honda plant also began mass production on lines that forge and machine driveshafts.

Later this year, the plant will increase automation by adding computer controls to its iron-casting operations and replacing a remote-control system installed last year.

The addition of iron-casting capabilities to produce engine blocks helped boost the Accord's U.S. content to about 73 percent, the highest of any Japanese-nameplate vehicle made in the United States.

NADA expects $3 million profit despite operating deficit

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

The National Automobile Dealers Association projects an operating shortfall of almost $3 million this year, but the profit-making side of NADA's operations will provide net income of $3 million.

The trade organization has almost 20,000 car-dealer members and a proposed 1990 budget of about $19 million. That budget exceeds its projected 1990 operating revenue by more than $2.9 million.

But the organization's for-profit NADA Services Corp., with expected 1990 revenue of more than $26 million from ventures like manager-training workshops, will funnel nearly $2.4 million in profits into the association this year.

An additional contribution of more than $4.7 million will come from NADA investments and royalties. NADA anticipates paying $1.2 million in income tax, which it projects will leave it with a 1990 net income of $3 million.

"The NADA isn't very typical of trade associations at all," said Frank McCarthy, NADA executive vice president. "Contrary to what some of our own members think, our income isn't just from annual dues. We're half non-profit, half for-profit. As a result, we can afford to operate at a very large deficit if necessary."

The association lost 261 members last year, ending the year with 19,877.

NADA officials say the decrease was mild compared to membership losses sustained during the 1980-82 recession. McCarthy said last year's decline was due to slower auto sales and budget-tightening by the nation's auto dealers as well as a shift toward more chain dealerships.

McCarthy said the association expects no further drop in membership. A new policy adopted last year allows dealers to join the NADA at one price and purchase memberships for additional outlets at reduced prices.

Canadian vehicle sales increase 7.75% in January

By Bill Vance
SPECIAL CORRESPONDENT

TORONTO — Combined Canadian sales of imported and domestic vehicles rose 7.75 percent in January.

The increase came on the heels of a 15.6 percent drop the previous month, Canada's coldest December in a century.

Total imported and domestic car sales were up 4.8 percent from January 1989, while total imported and domestic trucks showed a 13.3 percent gain.

Domestic car sales, which had been off 17.2 percent in December, were off only 310 units from year-ago levels. Import cars did even better, climbing 16.6 percent in January following a 11.1 percent fall in December.

Chrysler Canada Ltd. posted a 3.7 percent gain in domestic car sales and General Motors of Canada Ltd. was up 2.3 percent. Ford Motor Co. of Canada Ltd. fell 8.8 percent.

Bill Atkinson, GM vice president of marketing, called the January market "subtly buoyant." He credited GM's sales gain to selective incentive programs and the recent introduction of 4-door sedans in GM's mid-sized family cars.

Despite Ford's sales decline, Udo Kaul, vice president of general sales, said that Taurus had its best-ever January, and Thunderbird/Cougar, Crown Victoria and the new Lincoln Town Car were well ahead of last year.

Among the imports, every Japanese make increased car sales.

With the exception of Mercedes-Benz — which had four more sales in January than a year ago — each luxury European make posted a decline. Saab was off 52.6 percent.

CANADIAN CAR AND TRUCK SALES

Domestic cars	Jan. 1990	Jan. 1989	1 mo., 1990	1 mo., 1989
General Motors	17,693	17,303	17,693	17,303
Ford	9,582	10,509	9,582	10,509
Chrysler	6,400	6,173	6,400	6,173
Honda	2,063	2,379	2,063	2,379
Hyundai	349	0	349	0
Volvo	223	256	223	256
Domestic car total	**36,310**	**36,620**	**36,310**	**36,620**
Import cars				
Toyota	4,612	3,924	4,612	3,924
Honda	3,866	2,321	3,866	2,321
GM	2,201	1,468	2,201	1,468
Mazda	1,859	1,374	1,859	1,374
Volkswagen	1,799	1,681	1,799	1,681
Nissan	1,403	1,238	1,403	1,238
Chrysler	1,299	1,122	1,299	1,122
Hyundai	868	1,947	868	1,947
Ford	478	293	478	293
Suzuki	466	431	466	431
Subaru	461	401	461	401
Mercedes-Benz	283	279	283	279
BMW	250	364	250	364
Volvo	178	211	178	211
Jaguar	108	126	108	126
Lada	70	51	70	51
Saab	55	116	55	116
Skoda	10	19	10	19
Peugeot	4	18	4	18
Import car total	**20,270**	**17,384**	**20,270**	**17,384**
TOTAL — ALL CARS	**56,580**	**54,004**	**56,580**	**54,004**
Domestic trucks (including vans)				
Chrysler	9,855	6,203	9,855	6,203
GM	9,846	9,845	9,846	9,845
Ford	8,063	8,909	8,063	8,909
Domestic truck total	**27,764**	**24,957**	**27,764**	**24,957**
Import trucks (including vans)				
Toyota	1,293	1,037	1,293	1,037
GM	1,094	624	1,094	624
Mazda	1,069	829	1,069	822
Nissan	1,028	822	1,028	822
Suzuki	454	471	454	471
Chrysler	156	240	156	240
Volkswagen	30	31	30	31
Lada	4	21	4	21
Import truck total	**5,128**	**4,075**	**5,128**	**4,075**
TOTAL — ALL TRUCKS	**32,892**	**29,032**	**32,892**	**29,032**
TOTAL — CARS, TRUCKS	**89,472**	**83,036**	**89,472**	**83,036**

Acceleration problem probed in 1988-89 Thunderbird, Cougar

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The National Highway Traffic Safety Administration has opened an engineering defect investigation into an unexplained acceleration problem with the 1988-89 Ford Thunderbird and Mercury Cougar.

The agency suspects problems in the electronic engine control module. NHTSA said it has received 105 consumer complaints of the cars accelerating suddenly from 45 mph to as high as 70 mph. Owners alleged the problem has caused 10 accidents, seven with injuries, NHTSA said.

The safety agency started its investigation of a possible defect last Oct. 4 and upgraded it to an engineering analysis in February. A recall could affect 423,171 cars.

The investigation covers two generations of the Thunderbird/Cougar. An all-new model was introduced in the 1989 model year.

NHTSA also reported several new investigations in its monthly defect report:

- 1984-88 Dodge Caravan and Plymouth Voyager; 1.2 million minivans. NHTSA has received three complaints of broken cables that hold the spare tire under the vehicle.
- 1987 Dodge Ram D250 4x4; 99,000 vehicles. The U.S. Customs Service said the front frame rail was cracked by the left front spring rear hanger in three vehicles. In one vehicle, the front end dropped and cut the brake lines, causing an accident.
- 1984-90 Chevrolet Corvette; 180,000 cars. NHTSA reported three complaints — involving two accidents and one injury — of failure of a rear suspension tie rod or the socket, resulting in control problems.
- 1989 Jeep Cherokee with anti-lock brakes; no number given. NHTSA has received three complaints — including one accident with one injury — of loss of power brake boost.

Ford may hike Econoline output

Increase would help meet demand for van conversion chassis

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Some industry officials have predicted potential shortages of van conversion chassis, and Ford Motor Co. is moving closer to that situation.

The company's days' supply of Econolines has been dropping quickly enough for it to consider boosting production at Lorain, Ohio, in the second quarter.

As of mid-February, its supply of Econolines dropped to 74 days, down from 94 days at the end of December.

If the trend continues, Ford will likely increase Lorain production during the April-June quarter, according to company sources. At this point, second-quarter production plans have not been finalized.

But Aerostar conversion sales have dwindled to almost nothing, and the future of that vehicle in the conversion market will be rather limited.

"(Full-sized) van chassis right now remain fairly tight. We feel very positive about the market for van conversions and other Econoline products," said Jerome Mittman, Ford Division RV sales manager.

Ford has added four van conversion companies to its consignment pool account. They are American Vans Inc. of Danielsville, Ga.; Explorer Van Co. of Warsaw, Ind.; Seven-O-Seven Industries Inc. of Elkhart, Ind.; and Tiara Motor Coach of Nappanee, Ind.

Mittman expects to sign four or five more companies within 30 days.

But sales of Aerostar conversions have tumbled, and it's doubtful that Ford will continue offering an RV upfit package for Aerostar beyond next year.

The Aerostar has never really been a big success in the van conversion market.

At the end of the 1989 model year, when the auto and RV markets as a whole slowed down, sales of Aerostar conversions almost ground to a halt.

They never really recovered.

Mittman noted that only 4,700 Aerostars were converted in the 1989 model year, representing 2 percent of Aerostar production.

The figure fell to a scant 0.3 percent of production, or 211 units, for the 1990 model year through Dec. 31, based on production of 70,483 Aerostars.

The Aerostar's "future as a van conversion application has to be questioned," Mittman said. The availability of the RV conversion package on Aerostar in the 1991 model year is uncertain. By the 1992 model year, the Aerostar's RV conversion package is even more likely to be dropped.

Mittman noted that Ford will be required to make a considerable investment in its vans to meet new safety standards, dealing with occupant injuries in frontal crashes, that take effect in 1992.

The full-sized van will be restyled from the ground up anyway, so Ford can engineer required safety changes into the vehicle as part of the redesign.

But with Aerostar, it would have to make changes in the RV conversion package, and those changes would be more difficult and expensive because of the vehicle's lighter weight, Mittman said.

Recreational Vehicle Wholesale Deliveries

	Dec. 1989	Dec. 1988	% change	12 mos. 1989	12 mos. 1988	% change
Travel trailers	2,500	3,000	-16.7	53,500	58,300	- 8.2
Park Trailers	400	700	-42.9	7,400	7,300	+ 1.4
Travel trailers—fifth wheel	2,100	2,100	- 0.0	29,400	31,300	- 6.1
Folding camping trailers	3,600	3,700	- 2.7	33,900	42,300	-19.9
Truck campers	500	600	-16.7	9,900	11,000	-10.0
Towable RV total	9,100	10,100	- 9.9	134,100	150,200	-10.7
Conventional (type A)	2,200	2,600	-15.4	35,400	41,500	-14.7
Van Campers (type B)	400	400	- 0.0	5,000	5,200	- 3.8
Chopped vans (all)	900	1,700	-47.1	20,800	26,200	-20.6
Motor home total	3,500	4,700	-25.5	61,200	72,900	-16.1
Van conversions	14,700	17,000	-13.5	200,400	204,200	- 1.9
TOTAL ALL RVs	27,300	31,800	-14.2	395,700	427,300	- 7.4

Source: Recreation Vehicle Industry Association

Explorer scheduled to lead Ford truck push in Europe

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

LOUISVILLE, Ky. — Ford Motor Co.'s new Explorer sport-utility will be the vanguard of the automaker's efforts to penetrate the truck market in Europe, Philip E. Benton Jr., then Ford Automotive Group president, said at the vehicle's production startup.

Noting that Ford's business is shifting, Benton said the company may become more truck oriented, especially in Europe.

Benton, who became president and chief operating officer of Ford Motor Co. March 1, said Ford will export the new vehicle to Europe, where it hopes to create a demand for the light trucks it produces in the United States.

"We expect the European market to adopt the American idea that trucks are for carrying people as well as cargoes," he said. Trucks constitute one-third of the U.S. industry's new-vehicle sales each year and are 40 percent of Ford Division's North American volume.

That percentage is expected to increase because, as part of its strategy for the 1990s, Ford will build more and different kinds of trucks.

"We think that delightful phenomenon of truck ownership in North America will be exported to other countries," Benton said. "Our task is to decide how Ford can best translate its experience and success with pickups and minivans on this continent into other languages — so to speak."

Ford claims to be No. 1 in Europe in light commercial vehicles, with the Ford Transit. It also is solidly situated in the heavy-truck market there with Ford-Iveco.

"I can't tell you exactly how or when this truck expansion in Europe will take place," Benton said, "but I'm convinced that it will and that Ford, with world-class products such as the Explorer, will be a leader."

Benton said the 2- and 4-door Explorers, available in 2- or 4-wheel drive, provide an illustration of Ford's fitness for global cooperation and competition in the 1990s. They are equipped with a new 4-liter V-6 engine developed by Ford of Germany and a manual transmission supplied by Mazda of Japan.

Noting that sport-utility is the fastest-growing segment of the truck market, Benton said the Explorer will be fully competitive in that field.

Ford eventually hopes to sell 200,000 Explorers annually, about twice the sales of the Bronco II, which it replaces.

First-year Explorer production will be 100,000 to 120,000 units with the vast majority being 4-door models. The Louisville plant can produce 220,000 units annually.

Later this year, Ford will build 20,000 2-door 4x4 vehicles at the plant for Mazda to sell as the Navajo through its U.S. dealer network, marking the first time a U.S.-based vehicle maker will manufacture a product for a Japanese company.

4WD Rally
Pathfinder Equipment Co. of City of Industry, Calif., provides 4-wheel drive for GMC, Dodge, Ford and Chevrolet vans as a ship-through option.

RV BRIEFS

Chrysler vans add ABS

HIGHLAND PARK, Mich. — Chrysler Corp. will offer 4-wheel anti-lock brakes, supplied by Bendix Corp., as an option on all its 1991 minivans. The 4-wheel ABS is currently available only on Chrysler's Jeep Cherokee.

The minivans won't have rear ABS, as other light trucks and vans do, because of their front-wheel-drive configuration.

The 4-wheel ABS will be available on both 2-wheel-drive and the new 4-wheel-drive models, said Jack L. Warren, national marketing plans manager for Dodge trucks.

Chrysler does not plan to offer 4-wheel ABS on any other Dodge truck models.

Rockwood merges plants

ELKHART, Ind. — Rockwood Inc. has merged production of its Rockwood Van Division and sister company, Advantage Vans, into one manufacturing facility.

But the two sales organizations will remain separate.

The merger allows Rockwood and Advantage to streamline and upgrade manufacturing operations and product quality, according to Brett Dobrenz, Rockwood national sales manager.

Chevrolet to give promotional lift to its van converters

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Chevrolet, through its dealer ad associations, plans to give a promotional lift to its van converters.

Chevrolet will begin test marketing a new ad support program in Chicago beginning in April, under which the local dealer group will promote van conversions.

The ads will be generic to avoid promoting some converters at the expense of others.

Chevrolet hopes to run the program nationally, once it has been tested and refined.

It will be funded by the 1 percent marketing charge Chevrolet adds to the invoice of new vehicles.

Overall, Chevrolet had a record 100,000 sales in van conversions in calendar 1989, picking up several percentage points of market share in the process, according to James C. Perkins, Chevrolet general manager.

Perkins was a keynote speaker at the Recreation Vehicle Industry Association's annual meeting in Phoenix last week.

He met separately with van converters and motor home manufacturers on March 2 to discuss issues only relevant to them.

Besides more ad support, Chevrolet's new consignment pool program also provides other benefits to converters, Perkins said.

Because it is now able to identify its van conversion buyers, Chevrolet has also been able to provide converters with better demographic profiles on their customers.

Perkins

With new federal regulations, such as Federal Vehicle Motor Safety Standards 204 and 208 coming up in 1991, General Motors plans to provide test data and design criteria for converters that will allow them to continue installing their own seats in van chassis, Perkins said.

Overall, he pointed out that the truck market is still very good, and that Chevrolet is holding to its projection of selling 1.4 million trucks in calendar 1990. That would give it 27.7 percent of the light/medium truck market.

Its sales of trucks for recreational vehicles and the RV lifestyle are an important component of that.

GM produced 40,565 P chassis last year for Chevrolet and GMC. Of the 35,306 produced for Chevrolet, 27,600 ended up being equipped by the RV industry as Class A motor homes, Perkins said. The balance were for commercial vehicle production.

There has been growing concern over lemon law legislation affecting motor homes.

Chevrolet, as the industry's chief chassis supplier, has been developing a new arbitration program that will help manufacturers resolve disputes more quickly.

The program isn't fully developed yet, Perkins added.

Right now, there aren't that many states that include motor homes in their lemon laws, but there's the fear that such legislation could catch on.

PERSONNEL

Toyota Motor Sales

Toyota Motor Sales U.S.A. Inc. has announced three managerial changes.

Nancy L. Fein has been named national service planning and operations manager. She had been warranty administration manager.

Her responsibilities now include supervising service market research, long-range planning, vendor relationships, warranty operations, dealership service capacity analysis and improvement and budget activities. Fein has been with the company seven years.

Fein

Swartz

Neil Swartz has been promoted to national service development manager. He was service development manager and has been with Toyota five years.

Thomas E. Lee has joined the company as Southeast regional public affairs manager. He was automotive publications manager for the American Automobile Association's national headquarters in Falls Church, Va.

Mitsubishi

John Zorger, corporate controller for Mitsubishi Motor Sales of America Inc., has been named a vice president of the company.

He joined Mitsubishi Motor Sales in 1982 when it began operations in the United States. He has been corporate controller since 1984.

Mack Trucks

Robert D. Brown has been named vice president of purchasing for Mack Trucks Inc.

He joins the company after 30 years with Rockwell International Corp. Most recently, he was vice president of procurement and business development for Rockwell Automotive.

Brown

At Mack, Brown will report to **Don DeFosset**, executive vice president of operations.

General Motors

Jay C. Wilber has been named executive director of the quality network for General Motors. He had been director of human resources management for the Automotive Components Group since 1988 and succeeds **Robert E. Boruff**.

Wilber

Boruff has been named business team leader of vehicle systems operations for Saturn Corp. in Spring Hill, Tenn.

Wilber joined Chevrolet in 1965 and moved into labor relations in 1972. He was transferred to the GM industrial relations staff in 1978, became industrial relations director for the Buick-Oldsmobile-Cadillac Group in 1984 and labor relations director for GM of Canada in 1985.

Laforza Automobiles

Fred Blum has been named senior vice president and chief operating officer for Laforza Automobiles, a manufacturer of luxury 4-wheel-drive vehicles. He was vice president of business development.

Pete Evanow has joined the company as director of market planning. He was managing director of Sports Impact, a sports marketing and research company.

Young & Rubicam Detroit

Young & Rubicam Detroit has promoted **Warren Winstanley** to group management supervisor of the agency's three automotive account groups — Lincoln, Mercury large cars and Mercury small/sporty cars. He was management supervisor.

Winstanley

Timothy Cooney has been named vice president, management supervisor for the Lincoln account. He was vice president and management supervisor for the Mercury account.

Tom Ryan has been named vice president and management supervisor for Mercury large cars. He was a management supervisor with the Lincoln-Mercury Dealers Association account.

Carol Canestraight has been promoted to vice president, management supervisor, Mercury small/sporty cars. She had been an account supervisor.

Lexus

Art Garner has been appointed public relations manager for Lexus Division of Toyota Motor Sales U.S.A. Inc.

Garner joined Toyota in 1980 and has served as news media relations manager, publications manager and product news manager. Most recently, he was community relations manager.

Diamond-Star Motors

Diamond-Star Motors Corp. has promoted two personnel representatives.

Tim Walker has been named manager of personnel administration, and **Robert Ponsonby** has been promoted to manager of employee relations.

Auto Tell Services

Charles E. Yocum has been promoted to vice president of sales and marketing, Northern area, for Auto Tell Services, which supplies automated management systems for auto dealerships. He was manager of the Northeast region.

Thomas M. Conner has been promoted to chief financial officer and vice president of finance. He will continue as treasurer.

Competitive Edge

David Woolcott has joined the advertising firm Competitive Edge in Albuquerque, N.M., as a broadcast producer and writer. He was president of Woolcott & Associates Ltd.

Competitive Edge handles advertising for GMC Truck dealer associations.

G&A Financial Services

Joyce Miller has been promoted to vice president of loan servicing for G&A Financial Services in Irvine, Calif. She was an assistant vice president.

General Tire

Robert F. Haimour has been appointed manager of central systems engineering/manufacturing for General Tire in Akron, Ohio. He was systems engineer for the company's Mount Vernon, Ill., facility.

Goodyear

Dan R. Starcher has been named Certified Auto Service manager for Goodyear Tire & Rubber Co. He was manager of service sales for the company's auto service centers.

SPX Corp.

Dale A. Johnson has been named president and chief executive officer for SPX Corp., maker of repair tools and diagnostic instruments. He was president and chief operating officer.

As chief executive, he succeeds **Robert D. Tuttle**, who continues as chairman.

Ziebart International

Lou F. Smith has been appointed vice president of product management and technical services for Ziebart International Corp. in Troy, Mich. He was director of product management and technical services.

AUCTION DATES

Chrysler Motors

March 6 — Clanton's Auto Auction, Inc., Darlington, S.C.; Southern Auto Auction, East Windsor, Conn.; Nashville Auto Auction, Inc., Nashville, Tenn.; Southwest Auto Auction, Inc., Chandler, Ariz.; and Dallas Auto Auction, Inc., Grand Prairie, Texas.

March 7 — Columbus Fair Auto Auction, Inc., Columbus, Ohio, and Minneapolis Auto Auction, Inc., Plymouth, Minn.

March 8 — Indianapolis Auto Auction, Inc., Indianapolis, Ind.; Fredericksburg Auto Auction, Inc., Fredericksburg, Va.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Riverside Auto Auction, Riverside, Calif.; and Southern States Vehicle Auction of Atlanta, Newman, Ga.

March 9 — St. Louis Auto Auction, Inc., Bridgeton, Mo., and Northway Auto Exchange, Inc., Clifton Park, N.Y.

March 13 — Hatfield Auto Auction, Hatfield, Pa.; American Auto Auction, Walpole, Mass.; Arena Auto Auction, Chicago; Salt Lake Auto Auction, Salt Lake City; South Seattle Auto Auction, Kent, Wash.; Greensboro Auto Auction, Greensboro, N.C.; and San Antonio Auto Auction, San Antonio, Texas

March 14 — A.D.E. of Birmingham, Moody, Ala.; Butler Auto Auction, Gibsonia, Pa.; and Denver Auto Auction, Aurora, Colo.

March 15 — Northway Auto Exchange, Inc., Clifton Park, N.Y.; Aptco Auto Auction, Taylor, Mich.; Big Sky Auto Auction, Inc., Billings, Mont.; Omaha Auto Auction, Omaha, Neb.; Golden Gate Auto Auction, Fremont, Calif.; Ark-La-Tex Auto Auction, Inc., Shreveport, La.; and Florida Auto Auction of Orlando, Ocoee, Fla.

March 16 - Manheim Auto Auction, Manheim, Pa.

March 20 — Clanton's Auto Auction, Inc., Darlington, S.C.; Southern Auto Auction, East Windsor, Conn.; Portland Auto Auction, Inc., Portland, Ore.; Nashville Auto Auction, Nashville, Tenn.; Southwest Auto Auction, Inc., Chandler, Ariz.; and Dallas Auto Auction, Grand Prairie, Texas

Ford Motor Co.

March 6 — South Seattle Auto Auction, Kent, Wash.

March 7 — Northway Auto Auction, Clifton Park, N.Y.; Clanton's Auto Auction, Darlington, S.C.; Fort Worth Auto Auction, Fort Worth, Texas; Mississippi Auto Auction, Hattiesburg, Miss.; Southern California Auto Auction, Fontana, Calif.; and Omaha Auto Auction, Inc., Omaha, Neb.

March 8 — Manheim Auto Auction, Manheim, Pa., and Southwest Auto Auction, Chandler, Ariz.

March 13 — Auto Dealers Exchange of Birmingham, Moody, Ala.; Ohio Auto Auction Inc., Grove City, Ohio; and Bay Cities Auto Auction, Inc., Hayward, Calif.

March 14 — Atlanta Auto Auction, Red Oak, Ga.; Concord Auto Auction, Acton, Mass.; Aptco Auto Auction, Taylor, Mich.; Texas Hobby Auto Auction, Houston; Indianapolis Auto Auction, Indianapolis, Ind.; and Greater Tampa Bay Auto Auction, Tampa, Fla.

March 15 — Denver Auto Auction, Aurora, Colo.; Minneapolis Auto Auction, Maple Grove, Minn.; Skyline Auto Exchange, Fairfield, N.J.; and 166 Auto Auction, Springfield, Mo.

March 20 — Greater Chicago Auto Auction, Chicago, Ill.; Newburgh Auto Auction, Inc., Newburgh, N.Y.; Dealers Auto Auction of Oklahoma City, Oklahoma City, Okla.; and South Seattle Auto Auction, Kent, Washington

March 21 — Alburquerque Auto Auction, Albuquerque, N.M.; Baltimore-Washington Auto Exchange, Baltimore, Md.; Southern California Auto Auction, Fontana, Calif.; and Salt Lake Auto Auction, Salt Lake City

March 22 — Greensboro Auto Auction, Greensboro, N.C.; Interstate Auto Auction, Mercer, Pa.; Brasher's Sacramento Auto Auction, Rio Linda, Calif.; and St. Louis Auto Auction, Bridgeton, Mo.

March 27 — Harrisonburg Auto Auction, Harrisonburg, Va., and Bay Cities Auto Auction, Hayward, Calif.

March 28 — Texas Hobby Auto Auction, Houston; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Greater Tampa Bay Auto Auction, Tampa, Fla.

General Motors

March 6 — A.D.E. of Birmingham, Moody, Ala.; Harrisonburg Auto Auction, Harrisonburg, Va.; National Auto Dealer Exchange, Bordentown, N.J.; and Florida Auto Auction of Orlando, Ocoee, Fla.

March 7 — Indianapolis Auto Auction, Indianapolis, Ind.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; Golden Gate Auto Auction, Fremont, Calif.; and Statesville Auto Auction, Statesville, N.C.

March 8 — Amarillo Auto Auction, Amarillo, Texas; Denver Auto Auction, Aurora, Colo.; Aptco Auto Auction, Taylor, Mich.; Butler Auto Auction, Gibsonia, Pa.; Big H Auto Auction, Houston, Texas; Nashville Auto Auction, Nashville, Tenn.; Arena Auto Auction, Chicago; St. Louis Auto Auction, St. Louis, Mo.; and State Line Auto Auction, Inc., Waverly, N.Y.

March 13 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; Fresno Auto Dealers Auction, Fresno, Calif.; and Manheim Auto Auction, Manheim, Pa.

March 14 — Alburquerque Auto Auction, Albuquerque, N.M.; Atlanta Auto Auction, Atlanta; Puget Auto Auction, Auburn, Wash.; Clanton's Auto Auction, Darlington, S.C.; Southern California Auto Auction, Fontana, Calif.; Indianapolis Auto Auction, Indianapolis; and Baltimore-Washington Auto Exchange, Inc., Baltimore

Toyota

March 6 — Bay Cities Auto Auction, Hayward, Calif., and Florida Auto Auctionof Orlando, Ocoee, Fla.

March 8 — Clanton's Auto Auction, Darlington, S.C., and Dallas Auto Auction, Grand Prairie, Texas

March 13 — Southern Auto Auction, East Windsor, Conn., and Southern California Auto Auction, Fontana, Calif.

March 14 — Dealers Auto Auction of Alburquerque, Albuquerque, N.M.

March 15 — Baltimore-Washington Auto Exchange, Kent, Wash.

March 16 — St. Louis Auto Auction, Bridgeton, Mo.

March 20 — Newburgh Auto Auction, Newburgh, N.Y.; Aptco Auto Auction, Taylor, Mich.; and South Seattle Auto Auction, Kent, Wash.

March 22 — Dallas Auto Auction, Grand Prairie, Texas

March 27 — Southern California Auto Auction, Fontana, Calif.

Used car sales

Auction averages

February 1990	$5,589
February 1989	5,353

SOURCE: NADA Official Used Car Guide

Model-year breakdown

Used-car sales, auction averages

Year	Dec.	Jan.	Feb.
1990	—	$9,823	$10,930
1989	$9,549	9,192	9,035
1988	6,951	6,727	6,456
1987	5,554	5,395	5,297
1986	4,587	4,455	4,366
1985	3,839	3,759	3,771
1984	3,096	2,958	2,968
1983	2,315	2,034	2,279
Overall Average	$5,384	$ 5,474	$ 5,589

SOURCE: NADA Official Used Car Guide

INCENTIVE WATCH

CUSTOMER INCENTIVES

	Rebates	Finance Rates (Pct.) — Months — 24	36	48	60	Expiration Date
Chrysler Motors (1988-89 models)						
Chrysler	$1,000-$2,000	2.9	6.9	7.9	9.9	None
Dodge cars	$750-$1,500	2.9	6.9	7.9	9.9	None
Dodge trucks	$750-$2,500	2.9	6.9	7.9	9.9	None
Eagle	$1,000-$2,000	2.9	6.9	7.9	9.9	None
Jeep	$500-$1,500	2.9	6.9	7.9	9.9	None
Plymouth	$750-$1,250	2.9	6.9	7.9	9.9	None
Chrysler Motors (1990 models)						
Dodge cars	**$750-$1,000**	**2.9**	**6.9**	**7.9**	**9.9**	**None**
Eagle Summit	**$1,000**	**2.9**	**6.9**	**7.9**	**9.9**	**None**
Plymouth	**$750-$1,000**	**2.9**	**6.9**	**7.9**	**9.9**	**None**
Chrysler Motors (1990 models, guaranteed rebates*)						
Chrysler	**$1,000**	**2.9**	**6.9**	**7.9**	**9.9**	**Mar. 31**
Dodge cars	**$750-$1,500**	**2.9**	**6.9**	**7.9**	**9.9**	**Mar. 31**
Dodge trucks	**$1,000 - $2,000**	**2.9**	**6.9**	**7.9**	**9.9**	**Mar. 31**
Eagle	**$750-$2,000**	**2.9**	**6.9**	**7.9**	**9.9**	**Mar. 31**
Jeep	**$500-$1,000**	**2.9**	**6.9**	**7.9**	**9.9**	**Mar. 31**
Plymouth	**$750-$1,000**	**2.9**	**6.9**	**7.9**	**9.9**	**Mar. 31**
***—Buyer will receive any increase in rebate through Sept. 30, 1990.**						
Ford Motor Co. (1989 models)						
Ford cars*	$750-$1,000	6.9	6.9	6.9	10.9	April 2
Ford trucks**	$500-$1,500	6.9	6.9	6.9	10.9	April 2
Continental, Mark VII	$1,500					April 2
Mercury*	$750-$1,500	6.9	6.9	6.9	10.9	April 2
*—Ford Escort and Mercury Tracer buyers get cash rebate and 6.9 percent financing.						
**—60-month financing at 8.9 percent with van-conversion package						
Ford Motor Co. (1990 models)						
Ford cars*	**$750-$1,000**	**6.9**	**6.9**	**6.9**	**10.9**	**April 2**
Ford trucks**	**$500-$1,500**	**6.9**	**6.9**	**6.9**	**10.9**	**April 2**
Continental, Mark VII	**$1,500**					**April 2**
Mercury*	**$750-$1,500**	**6.9**	**6.9**	**6.9**	**10.9**	**April 2**
***—Ford Escort and Mercury Tracer buyers get cash rebate and 6.9 percent financing.**						
****—60-month financing at 8.9 percent with van-conversion package**						
General Motors (1989 models)						
Chevrolet cars	$700-$1,000	6.9	6.9	6.9	10.9	May 2
Chevrolet trucks	$500-$1,500	6.9	6.9	6.9	10.9	May 2
Cadillac	$1,500*	5.9	6.9	7.9		Mar. 31
GMC trucks	$750-$1,500	6.9	6.9	6.9	10.9	May 2
Cutlass Supreme	$1,500	6.9	6.9	6.9	10.9	May 2
Pontiac	$750-$1,000	6.9	6.9	6.9	10.9	May 2
*—Cadillac owners and certificate holders only.						
General Motors (1990 models)						
Buick	**$500-$1,250***	**6.9**	**6.9**	**6.9**	**10.9**	**May 2**
Chevrolet cars	**$700-$1,000**	**6.9**	**6.9**	**6.9**	**10.9**	**May 2**
Chevrolet trucks	**$500-$1,500**	**6.9**	**6.9**	**6.9**	**10.9**	**May 2**
GMC trucks	**$750-$1,500**	**6.9**	**6.9**	**6.9**	**10.9**	**May 2**
Cutlass Supreme	**$1,000**	**6.9**	**6.9**	**6.9**	**10.9**	**May 2**
Pontiac	**$750-$1,000**	**6.9**	**6.9**	**6.9**	**10.9**	**May 2**
***—Based on option package selected**						
Hyundai Excel (1989, 1990)	**$500-$1,000**					**Mar. 5**
Mazda (1990 models)						
626	**$1,000**					**April 3**
MX-6	**$750**					**April 3**
Trucks	**$750-$1,000**					**April 3**
Nissan (1988-1989 models)						
Sentra	$1,000-$1,250					May 2
Trucks	$1,200-$1,500					May 2
Nissan (1990 models)						
Sentra	**$1,000**					**May 2**
Trucks	**$1,200**					**May 2**
Sterling (1989 models)	$5,000					Mar. 31
Subaru (1989 models)						
Justy	$500-$1,000					Feb. 22
XT, XT6	$1,000-$3,000*					Feb. 22
*—Rebates go to the customer in some regions and to the dealer in other regions.						
Suzuki (1989 models)						
Swift	$500-$2,000					Mar. 31
Samurai	$1,000					Mar. 31
Sidekick	$500-$3,000					Mar. 31

Chrysler continues guaranteed rebates

By Arlena Sawyers
AUTOMOTIVE NEWS STAFF REPORTER

Chrysler Corp. extended and modified its retail Guaranteed Rebate Program last week, while Pontiac and Subaru of America Inc. adjusted their retail and/or dealer incentives.

All 1990 Chrysler, Plymouth, Dodge, Jeep and Eagle vehicles, except the minivans and Chrysler LeBaron convertible, are eligible for the guaranteed rebate until March 31. If the rebate on an eligible vehicle purchased or leased at retail is increased between March 1 and Sept. 30, Chrysler will pay the difference to the customer.

Changes in Chrysler customer rebates — guaranteed or otherwise — include a reduction to $750 from $1,000 on the 1990 Plymouth Laser, Eagle Talon and 1989 and 1990 Dodge Daytona base and ES models and an increase to $2,000 from $1,500 on 1989 Dodge Dakota pickups, excluding the "S" models.

The $1,000 rebate on the 1990 LeBaron convertible and the $50 test-drive payment ended Feb. 28.

Chrysler reduced its alternative finance rates. They are 2.9 percent for up to 24 months; 6.9 for 25 to 36 months; 7.9 for 37 to 48 months; or 9.9 for 49 to 60 months. The previous starting rate was 6.9.

Pontiac increased the retail rebate on its 1989 and 1990 LeMans to $1,000 from $750. Customer rebates on all other 1989 and 1990 Pontiac cars remain at $1,000 except Sunbird, which is $750.

The following Pontiac dealer incentives are in effect: 1989 LeMans and Grand Am, $500; 1989 Grand Prix, $1,000; and 1990 Grand Prix, $500. The 1989 Grand Prix payment will be reduced to $500 April 2 and remain at that level until the entire program expires May 2.

Subaru of America discontinued its retail incentive program and is directing all incentives to its dealers. Subaru dealers earn $400 on the 1990 Loyale; $500 on the 1989 and 1990 Justy (except ECVT); $1,200 on 1989 and 1990 Justy ECVT; and $1,500 on the 1989 XT and XT6.

The dealer rebate on the 1990 Legacy depends on the number of cars sold. The amounts are as follows: 6 to 10 sales, $500 per vehicle; 11 to 15 sales, $1,000 per vehicle; and 16 or more, $1,500 per vehicle.

INCENTIVE WATCH

DEALER INCENTIVES

	Rebate	Expiration Date
Chrysler (1989 models)		
TC by Maserati	$6,000	None
General Motors (1989 models)		
Buick	$750-$2,000	May 2
Chevrolet Nova, Spectrum (1988)	$500	May 2
Geo, Celebrity	$500	May 2
Geo Tracker	$1,000	May 2
Oldsmobile	$500-$2,500	May 2
Pontiac LeMans, Grand Am	$500	May 2
Grand Prix	$1,000	April 2
Grand Prix	$500	April 3-May 2
General Motors (1990 models)		
Buick Park Avenue, Estate Wagon, Riviera, Reatta	**$1,000-$2,000**	**May 2**
Cadillac	**$1,000**	**Mar. 31**
Chevrolet Geo, Celebrity	**$500-$1,000**	**May 2**
Geo Tracker	**$1,000**	**May 2**
Oldsmobile	**$500-$1,000, quota**	**May 2**
Pontiac Firebird	**$300-$500**	**May 2**
Grand Prix	**$500**	**May 2**
Hyundai Excel (1989)	$500	Mar. 5
Isuzu (1989 models)		
Impulse, I-Mark	$300	Mar. 31
Trooper	$500-$1,500, quota	Mar. 31
Pickup	$500-$700	Mar. 31
Isuzu (1990 models)		
Trooper	**$500-$1,500, quota**	**Mar. 31**
Pickup	**$500-$700, quota**	**Mar. 31**
Mitsubishi (1989-90 models)		
Cars	**$500-$1,000**	**Mar. 31**
Trucks	**$1,000**	**Mar. 31**
Nissan		
Sentra, pickups (1988-90)	**Up to $1,000***	**Mar. 2**
Pulsar NX (1989)	**$1,000**	**Mar. 2**
Stanza (1989-90)	**$500-$1,000**	**May 2**
Axxess (1990)	**$1,000**	**May 2**
Pathfinder (1989)	**$1,500**	**May 2**
***—Payment varies by regions.**		
Peugeot (1989-90 models)	**$1,000-$2,000**	**None**
Saab (1989 models)	$3,000-$5,000	April 30
Subaru (1989 models)		
Justy ECVT	$1,200	May 2
Other Justy	$500	May 2
XT, XT6	$1,500	May 2
Subaru (1990 models)		
Loyale	**$400**	**May 2**
Legacy	**$500-$1,500**	**May 2**
Suzuki (1990 models)		
Swift	**$400**	**Mar. 31**
Sidekick	**$700-$1,500**	**Mar. 31**
Volkswagen (1989 models)		
Cars	$600-$2,500	None
Vanagon	$3,000-$4,000	None

Hungarian bus may get chassis by Mercedes

By Richard W. Bruner
STAFF CORRESPONDENT

GYOR, Hungary — Ikarus Body and Coach Building Works, a Hungarian bus manufacturer, is reported to be negotiating with Mercedes-Benz to use Mercedes-made bus chassis.

According to the official government news agency, a prototype chassis has been built.

The agency also reported that Daf Trucks, Renault Vehicules Industriels and "some unspecified American circles" want to establish a joint venture with Ikarus with an eye to getting a "foothold in the Soviet market."

In Budapest, meanwhile, about 1,500 laid-off Ikarus workers demonstrated in front of the Hungarian parliament building. The protesting workers demanded that the government promote a reorientation toward Western markets.

Ikarus had to lay off more than 10,000 workers Feb. 16 for up to seven weeks because the Hungarian government suspended its licenses to sell buses to the Soviet Union and other Eastern Bloc countries.

Hungary has a surplus of 250 million rubles. Government economists contend the surplus amounts to an open-ended interest-free loan to Eastern Bloc nations, especially the Soviet Union. Hungary has not yet signed the traditional annual trade agreements for 1990 with the Soviet Union, Poland and Bulgaria.

For now, Hungary does no business with other countries in Comecon, the Eastern Bloc trade group. Ikarus was supposed to ship 4,500 buses to the Soviet Union this year, but it has not been given permission to go ahead.

As a result, it has been unable to cover its debt of 1 billion forints ($15.7 million) to Csepel Automotive Works, which provides it with chassis and components. Csepel and other companies that ordinarily provide components to Ikarus have suspended deliveries until they are guaranteed payment.

Big 3 slate no downtime for March

By Karen Detkowski
SPECIAL CORRESPONDENT

The improving market is keeping U.S. car production at a steady level.

Chrysler Motors has deferred line-speed reductions at two facilities and plans to operate its four car assembly plants without interruption throughout March.

General Motors and Ford Motor Co. have not announced any downtime for March. Both companies have been scheduling overtime at some plants.

Automakers slated output of 130,675 cars last week, 5.37 percent below the prior week, which was the highest weekly output this year. Last week's build was 14.90 percent below the year-ago week.

Last year, the millionth car was built Feb. 16. As of March 3, this year's auto production was 897,243, 33.03 percent below 1989.

Companies split last week's estimated production as follows: GM, 42.76 percent; Ford, 24.71 percent; Chrysler, 11.56 percent; Honda of America Manufacturing Inc., 6.96 percent; Toyota Motor Manufacturing U.S.A. Inc., 3.37 percent; New United Motor Manufacturing Inc., 3.14 percent; Mazda Motor Manufacturing (USA) Corp., 3.05 percent; Diamond-Star Motors Corp., 2.20 percent; Nissan Motor Manufacturing Corp. U.S.A., 1.82 percent; and Subaru-Isuzu Automotive Inc., 0.43 percent.

Domestic truck production was estimated at 82,471 units last week, 0.30 percent above the previous week but 12.86 percent below the year-ago week.

Year-to-date, 599,113 trucks have been assembled, 26.90 percent below last year's build.

GM's Chevrolet Cavalier plant in Janesville, Wis., was scheduled for Friday overtime last week. The plant operates on a 4-day work week.

Chrysler's truck assembly facility in Warren, Mich., was slated to work Saturday overtime last week. The plant will work four of the five Saturdays in March.

Canadian cars reach '90 peak

Last week, Canadian automakers scheduled their highest weekly output of this year — 25,352 units, 6.34 percent above the prior week and 26.29 percent above the year-ago week when capacity was not as great.

So far this year, 155,602 cars have been produced, 12.80 percent below the year-ago total.

Chrysler's Bramalea, Ontario, plant is expected to resume output today after being idle five weeks.

Truckmakers estimated assembly of 20,274 units last week. That was 2.22 percent above the prior week, but 6.99 percent below the year-ago week.

Year-to-date, 146,679 trucks have been built, 21.29 percent below last year's total at this point.

GM's Oshawa, Ontario, truck plant was scheduled for Saturday overtime last week.

U.S. CAR	Week Ended Mar. 3, 1990	Week Ended Mar. 4, 1989	Week Ended Feb. 24, 1990	Feb. Est.	Jan. 1 to Mar. 3, 1990	Jan. 1 to Mar. 4, 1989
Horizon	0	0	0	818	4,578	0
Sundance	1,800	2,269	1,912	6,673	10,839	21,424
Acclaim	2,000	2,750	2,095	6,823	11,970	18,055
Total Plymouth	3,800	5,019	4,007	14,313	27,387	39,479
LeBaron A	800	0	808	2,091	2,602	0
LeBaron J	1,100	2,240	1,013	2,340	2,780	20,712
LeBaron GTS	0	436	0	0	0	2,810
N. Yorker C-Class	400	2,359	519	1,601	2,914	22,890
Fifth Avenue	700	0	716	2,289	4,105	0
Imperial	500	0	567	1,779	3,205	0
Total Chrysler	3,500	5,035	3,623	10,099	15,606	46,412
Omni	0	0	0	762	4,308	0
Daytona	700	2,244	696	1,545	1,825	20,740
Shadow	2,200	2,450	2,238	8,153	12,963	22,100
Dynasty	3,000	2,900	3,128	9,956	17,713	29,187
Lancer	0	54	0	0	0	1,574
Spirit	1,900	2,200	2,015	6,991	13,816	18,058
Total Dodge	7,800	9,848	8,077	27,406	50,645	91,659
CHRYSLER MOTORS	15,100	19,902	15,707	51,819	93,638	177,550
Escort	3,403	6,292	2,927	10,969	20,435	67,568
Mustang	3,705	4,442	3,726	15,413	25,012	38,216
Tempo	3,416	3,007	3,444	10,898	19,368	31,263
Taurus	8,149	7,739	8,127	35,006	66,214	71,461
Thunderbird	3,339	3,813	3,340	8,459	16,651	33,088
Total Ford Div.	22,012	25,293	21,564	80,746	147,680	241,596
Topaz	825	1,364	929	3,059	5,940	12,025
Cougar	2,221	3,826	2,217	5,447	9,282	27,658
Sable	2,335	3,056	2,353	9,130	14,650	23,404
Total Mercury	5,381	8,246	5,499	17,636	29,872	63,087
Continental	1,076	1,648	1,258	4,775	9,280	13,594
Mark VII	552	551	608	2,374	4,611	5,784
Town Car	3,272	3,294	3,818	14,410	27,930	23,331
Total Lincoln	4,900	5,493	5,684	21,559	41,821	42,709
Total L-M Div.	10,281	13,739	11,183	39,195	71,693	105,796
FORD MOTOR CO.	32,293	39,032	32,747	119,941	219,373	347,392
Skyhawk	0	284	0	0	0	3,030
Skylark/Somerset	1,679	1,307	1,231	7,534	11,928	8,818
Century	1,865	2,388	1,926	6,852	11,032	22,861
Riviera	542	712	525	2,236	3,488	5,483
Electra	0	1,950	1,479	5,838	12,317	16,558
LeSabre (fwd)	4,068	2,236	3,980	15,295	24,050	10,477
LeSabre (rwd)	198	192	192	569	1,008	1,778
Reatta	211	184	200	635	1,321	1,279
Total Buick	8,563	9,253	9,533	38,959	65,144	70,284
Eldorado	449	744	448	1,831	2,945	6,405
Seville	651	642	643	2,675	4,117	5,143
Brougham (rwd)	1,055	893	1,039	3,341	5,965	8,999
DeVille (fwd)	3,775	4,885	3,686	14,632	23,008	39,849
Allante	90	75	0	201	527	660
Total Cadillac	6,020	7,239	5,816	22,680	36,562	61,056
Cavalier	7,841	8,027	7,699	28,616	42,561	75,375
Camaro	1,993	2,574	1,280	2,882	3,679	21,780
Celebrity	0	2,997	0	0	0	31,981
Corsica/Beretta	5,496	9,360	7,925	29,718	45,514	79,978
Caprice	2,980	4,940	2,901	9,951	18,261	33,130
Corvette	560	563	560	2,352	3,360	4,473
Total Chevrolet	18,870	28,461	20,365	73,518	113,375	246,717
Calais	1,921	2,298	2,375	7,644	12,437	15,034
Cutlass Ciera	2,078	1,854	2,138	7,770	12,861	14,837
Cutlass Supreme	1,775	0	3,843	10,537	12,702	21,568
Toronado	624	150	617	2,516	3,791	2,358
88 (fwd)	1,067	3,981	1,253	5,853	12,542	34,523
88 (rwd)	133	139	99	372	686	1,463
98	1,425	2,192	1,403	5,575	8,631	18,255
Total Oldsmobile	9,023	10,614	11,728	40,267	63,650	108,038
Sunbird	3,527	3,031	2,861	12,273	17,122	23,837
Grand Am	4,800	5,964	4,854	15,395	23,640	44,424
Firebird	568	1,593	444	1,009	1,236	13,546
Grand Prix	2,858	0	2,758	10,169	12,688	20,001
Pontiac 6000	1,643	1,951	1,641	5,754	9,059	16,197
Bonneville	0	2,319	3,290	9,197	13,984	18,601
Safari/Parisienne	0	102	0	0	0	943
Total Pontiac	13,396	14,960	15,848	53,797	77,729	137,549
GENERAL MOTORS	55,872	70,527	63,290	229,221	356,460	623,644
DIAMOND-STAR	2,871	798	2,797	11,803	23,492	5,478
HONDA	9,100	8,451	8,342	36,746	75,749	70,572
Civic	2,681	2,779	2,359	9,793	22,737	23,758
Accord	6,419	5,672	5,983	26,953	53,012	46,814
MAZDA†	3,999	5,730	3,674	14,109	29,818	44,243
NISSAN	2,380	2,355	2,371	9,970	20,605	20,731
NUMMI	4,100	4,786	4,193	17,018	34,887	33,148
Corolla	2,100	1,874	2,284	8,993	18,056	14,279
Geo Prizm/Nova	2,000	2,912	1,909	8,025	16,831	18,869
SUBARU-ISUZU*	560	0	560	2,352	5,040	0
TOYOTA	4,410	1,979	4,406	18,388	38,181	16,965
Total Cars, U.S.	130,675	153,560	138,089	511,386	897,243	1,339,723
Total Cars, Canada	25,352	20,074	23,841	91,011	155,602	178,451
U.S., Canada Cars	156,027	173,634	161,930	602,377	1,052,845	1,518,174
U.S., Canada Cars and Trucks	258,772	290,070	283,991	1,016,156	1,798,637	2,524,082

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes MX-6, 626, and Ford Probe
*—Estimated

CANADIAN CAR	Week Ended Mar. 3, 1990	Week Ended Mar. 4, 1989	Week Ended Feb. 24, 1990	Feb. Est.	Jan. 1 to Mar. 3, 1990	Jan. 1 to Mar. 4, 1989
Monaco	0	0	0	0	1,894	0
Premier	0	1,275	0	0	401	10,285
CHRYSLER MOTORS	0	1,275	0	0	2,295	10,285
Tempo	3,840	3,454	3,545	11,166	21,314	32,566
Topaz	960	1,500	872	2,754	5,646	13,006
Crown Victoria	2,960	2,780	2,900	11,498	17,789	23,462
Grand Marquis	2,512	2,871	2,502	9,532	16,641	25,712
FORD MOTOR CO.	10,272	10,605	9,819	34,948	61,390	94,746
Celebrity	701	160	642	2,403	3,378	1,778
Cutlass Ciera	2,859	3,086	2,852	12,253	17,281	33,935
Lumina	6,534	705	5,783	21,890	32,334	4,447
Regal	1,086	2,145	938	3,056	4,816	16,871
GENERAL MOTORS	11,180	6,096	10,215	39,602	57,809	57,031
HONDA	2,310	1,714	2,194	9,679	20,119	14,556
HYUNDAI*	310	0	310	1,322	2,810	0
TOYOTA	1,100	204	1,159	4,741	9,633	340
VOLVO	180	180	144	719	1,546	1,493
Total Cars, Canada	25,352	20,074	23,841	91,011	155,602	178,451

U.S. TRUCK	Week Ended Mar. 3, 1990	Week Ended Mar. 4, 1989	Week Ended Feb. 24, 1990	Feb. Est.	Jan. 1 to Mar. 3, 1990	Jan. 1 to Mar. 4, 1989
Caravan	2,000	2,112	2,216	10,223	21,111	20,502
Dakota	1,500	2,300	1,643	5,529	9,338	19,408
Caravan C/V	100	177	139	626	1,309	1,756
Ram pickups	2,300	2,287	2,437	8,238	13,025	19,389
Total Dodge	5,900	6,876	6,435	24,616	44,783	61,055
Cherokee	4,400	5,156	4,366	14,658	26,604	40,199
Comanche	200	886	203	676	1,202	6,824
Grand Wagoneer	0	349	0	325	585	3,015
Wagoneer	50	248	84	265	477	1,811
Total Jeep	4,650	6,639	4,653	15,924	28,868	51,849
Voyager	1,900	1,994	1,837	9,188	19,161	19,926
Town & Country	50	0	92	318	648	0
Total C-P Div.	1,950	1,994	1,929	9,506	19,809	19,926
CHRYSLER MOTORS	12,500	15,509	13,017	50,046	93,460	132,830
Aerostar	4,213	5,770	4,200	16,838	27,323	43,807
Bronco	1,193	2,103	1,143	4,910	9,060	17,451
Explorer/Bronco II	295	2,931	160	7,054	15,051	25,518
Econoline	4,204	5,215	4,179	15,114	27,529	45,551
Mediums/Heavies	1,038	1,480	1,045	12,786	17,724	12,099
Light trucks	9,465	11,315	9,493	36,370	70,486	100,324
Ranger	6,806	7,433	6,891	26,406	45,997	67,239
Total Ford Div.	27,214	36,247	27,111	119,478	213,170	311,989
FORD MOTOR CO.	27,214	36,247	27,111	119,478	213,170	311,989
Astro	2,956	3,592	2,578	8,837	13,684	30,966
Blazer	346	609	423	1,655	2,459	5,111
Lumina APV	1,695	0	2,109	8,726	15,844	0
Mediums/Heavies	280	0	281	1,272	2,656	0
P-Model	630	733	611	2,518	3,973	4,908
Pickups	8,386	8,704	8,152	30,667	48,725	83,051
S-10	4,377	5,948	4,709	18,948	39,099	54,332
S-10 Blazer	3,464	4,475	2,411	10,471	14,760	34,419
Sportsvan/Van	1,615	2,005	1,886	6,006	6,652	16,414
Suburban	1,614	1,675	1,599	6,465	9,070	14,345
Total Chevrolet	25,363	27,741	24,759	95,585	156,922	243,546
Jimmy	133	178	131	620	892	1,595
Mediums/Heavies	447	0	440	1,783	3,152	0
P-Model	70	142	63	265	426	787
Pickups	1,451	2,785	1,600	6,905	12,283	24,963
S-15	1,426	1,539	1,565	5,319	10,255	12,376
S-15 Jimmy	1,127	1,168	1,079	3,939	5,393	9,721
Safari	804	922	1,073	3,037	4,781	7,753
Suburban	717	680	628	2,865	4,168	5,672
Vandura/Rally Vans	845	368	574	2,544	2,882	4,323
Total GMC	7,020	7,782	7,153	27,278	44,232	67,190
Olds Silhouette	535	0	574	2,369	5,112	0
Pontiac Trans Sport	1,128	0	894	4,413	10,262	0
GENERAL MOTORS	34,046	35,523	33,380	129,625	216,528	310,736
NAVISTAR	1,641	1,848	1,644	6,519	13,373	15,286
NISSAN	3,060	2,761	3,066	12,804	26,492	24,522
SUBARU-ISUZU*	560	0	560	2,352	5,040	0
AM GENERAL*	450	450	450	1,890	4,050	3,960
MISCELLANEOUS*	3,000	2,300	3,000	12,600	27,000	20,240
Total Trucks, U.S.	82,471	94,638	82,228	335,315	599,113	819,563

CANADIAN TRUCK	Week Ended Mar. 3, 1990	Week Ended Mar. 4, 1989	Week Ended Feb. 24, 1990	Feb. Est.	Jan. 1 to Mar. 3, 1990	Jan. 1 to Mar. 4, 1989
Caravan	3,254	3,159	3,308	13,896	29,083	28,489
Caravan C/V	249	201	204	893	1,872	1,823
Ram Wagon	548	659	538	2,394	3,463	6,031
Ram Van	1,372	1,744	1,336	5,630	8,317	15,328
Total Dodge	5,423	5,763	5,386	22,813	42,735	51,671
Voyager	2,641	2,898	2,719	11,441	24,160	24,629
Total Plymouth	2,641	2,898	2,719	11,441	24,160	24,629
Wrangler	1,500	1,875	1,494	3,934	4,534	13,291
Total Jeep	1,500	1,875	1,494	3,934	4,534	13,291
CHRYSLER MOTORS	9,564	10,536	9,599	38,188	71,429	89,591
FORD MTR. (lt. trks.)	3,192	3,520	3,188	12,345	23,013	30,707
Light trucks	3,831	3,507	4,110	14,924	30,332	30,984
Vans	1,218	1,293	1,495	4,653	5,142	12,912
Total Chevrolet	5,049	4,800	5,605	19,577	35,474	43,896
Light trucks	1,537	1,848	760	5,538	12,730	14,236
Vans	732	820	480	1,973	2,267	5,801
Total GMC	2,269	2,668	1,240	7,511	14,997	20,037
GENERAL MOTORS	7,318	7,468	6,845	27,088	50,471	63,933
NAVISTAR	200	274	201	844	1,766	2,114
Total Trks., Canada	20,274	21,798	19,833	78,464	146,679	186,345
U.S., Canada Trks.	102,745	116,436	102,061	413,779	745,792	1,005,908

*—Estimated
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.

C2710-3

Automotive News

March 12, 1990

©Entire contents copyright 1990, by Crain Communications, Inc. All rights reserved.
Reproduction or use of editorial content in any manner without permission is strictly prohibited.

65th year—$65.00 per year, $2.00 per copy

William Ford Jr.: "I would be crazy . . . not to have some lofty goals."

AUTOMOTIVE NEWS/JOE WILSEMS

BIG PICTURE: *William Ford Jr. will direct strategy for automotive group*

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

DEARBORN, Mich. — Ford Motor Co. last week gave 32-year-old William Clay Ford Jr. exactly what he wants — a chance to look at big-picture issues and make a strategic impact on the company his great-grandfather founded.

After eight months as manager of engineering and manufacturing at Ford Heavy Truck Operations, Ford was appointed director of business strategy for the Ford Automotive Group as part of a reorganization of the automaker's strategic planning functions.

He will report to Allan D. Gilmour, president of the Ford Automotive Group and fellow member of the board of directors.

Ford, son of former Vice Chairman William Clay Ford, still is out-ranked by his cousin, Edsel Ford II, 41, executive director of Ford's corporate marketing staff and son of former Ford Chairman Henry Ford II. But the move brings the younger cousin one step closer to Ford's inner circle, a step he has eyed for some time.

Ford knows his heritage won't be the only ticket to the top. He must prove himself a good decision maker and a good manager in every position he holds at the company, in which his family owns 40 percent of the voting stock.

"If I were to stay in this company, I would be crazy at this time not to have some lofty goals, but whether it's CEO or chairman I don't know. I'd like to get within shooting distance of it certainly," Ford said in an interview Feb. 16.

"If I do well, they are not going to make me executive vice president tomorrow. There is a certain time frame involved, but time is not the constraint — it's me and how well I do," he said.

The amiable young heir talks as excitedly about the future of Ford Motor Co. as about the new Jaguar XJ-S British Racing Green convertible he recently purchased or the improved record of his father's Detroit Lions professional football team.

Ford isn't shy about discussing his condensed tour of the company through his many assignments.

Since he joined the company in 1979 as a product planning analyst, he has been a sales zone manager, labor negotiator, marketing strategy analyst, advertising specialist, finance specialist, director of commercial vehicle marketing for Ford of Europe and managing director of Ford of Switzerland as well as manager of engineering and manufacturing at Ford Heavy Truck Operations.

Ford admits he has had no training in engineering and knew little about Ford's Truck Operations be-

see FORD, page 49

VW due to reveal pact to build cars in East Germany

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

GENEVA — Volkswagen AG is expected to announce today that it has reached an agreement with East German automaker VEB IFA Kombinant to produce a VW car in East Germany.

An announcement was expected at the Leipzig, East Germany, Trade Fair. Insiders say the deal was reached during last week's Geneva International Auto Show and could include production of the VW Polo supermini model.

In addition, sources said VW and Audi AG engineers have completed a preliminary review of East German suppliers. The West German automaker could announce plans this week for further contacts with more than 100 component operations that could supply Volkswagen-Audi in the West.

VW and Audi are also expected to announce plans in Leipzig this week for setting up an East German dealer network.

VW and Kombinant earlier this year formed a joint venture to develop and produce vehicles in East Germany.

As indicated by the VW developments, the crackling pace of events in Europe's auto industry dominated the year's first European show. East-West talks have reached the frenetic stage, and automakers are scrambling to assess market potential, assemble dealer networks and even enter whole new car-size segments to satisfy anticipated demand.

Geneva was also a forum for the increasingly combative debate over Japanese penetration in post-1992 Europe. It also reflected Europe's rush to environmentalism with ideas like electric cars.

General Motors' aggressiveness in Eastern Europe became apparent. GM recently announced a car and engine production deal in

see VW, page 51

PIETER KAMP

Spotlight on Switzerland

The Bertone Nivola concept car powered by Corvette is one of the highlights in Geneva's Palexpo center, where the 60th annual motor show opened an 11-day run March 8. More show cars and stories, Page 50.

CENSUS

Dealer total dips to 24,576; domestics, imports off 337

By John K. Teahen Jr.
SENIOR EDITOR

In a year of declining sales and scant or non-existent profits, the number of new-car dealerships in the United States dropped by 337.

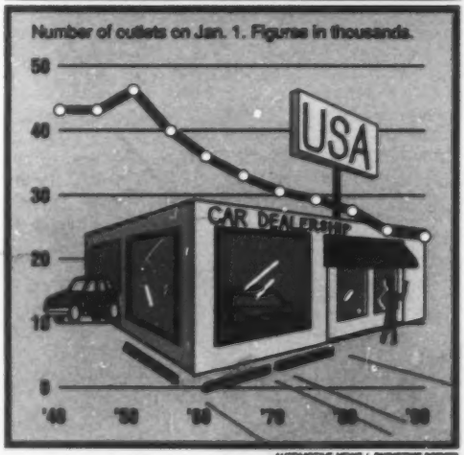
The annual *Automotive News* census found 24,576 outlets on Jan. 1 of this year, compared to a revised total of 24,913 at the beginning of 1989. It was the biggest dip since the recession year of 1982.

The Big 3 lost 214 dealerships last year, and there was a slip of 123 in the number of stores selling only imported cars.

On Jan. 1, the dealership population consisted of 19,379 establishments handling Big 3 autos and 5,197 stocking only imports. About 90 percent of the Big 3 locations also carry an import, either a cap-

49

New-car dealerships in United States



AUTOMOTIVE NEWS / CHRISTINE BERVIN

Team concept, job security fuel strike talk at GM plant

By Kathy Jackson
AUTOMOTIVE NEWS STAFF REPORTER

Lynn Monhollen thinks the UAW may strike General Motors this year.

Monhollen, a 15-year veteran who works on the engine line at the Detroit-Hamtramck assembly plant, is not alone. Monhollen and many of his co-workers believe the team concept is a failure, job security is nonexistent, and the union has relinquished too much power.

They say that with Steve Yokich at the helm — a man they say is much tougher than former UAW GM director Donald Ephlin — GM may be in for the fight of its life when negotiations begin in July.

"I think the possibility of a strike is great," said Monhollen, 35. "It may be time for something like that to happen."

Even Joyce Robbins, a model employee who was picked to represent Cadillac at the Los Angeles Auto Show in January because of

see GM PLANT, page 52

Special report

On Feb. 26, Automotive News Staff Reporter Kathy Jackson spent a full day working on the engine line at General Motors' Detroit-Hamtramck assembly plant to assess the mood of the UAW rank and file in this crucial contract year. Her personal observations are reported on Page 52.

NEWSPAPER

MD 20814
EAST-WEST HWY STE8
ACQ EDITOR SRI
ACQ EDITOR
#0303229O8 2#01ANOIISI 99192
#26J0000000005-DIGIT 20814
SDA

...le
...g to preserve the clean air compromise
...o increase corporate average fuel
...Story on Page 2.